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ZNR UUUUU ZZH
P 120705Z APR 06 ZDK
FM AMEMBASSY SOFIA
TO RUEHC/SECSTATE WASHDC PRIORITY 1739
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SOFIA 000518

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E.O. 12958: N/A
TAGS: [PREL](#) [PHUM](#) [KNAR](#) [KIRF](#) [BU](#)
SUBJECT: BULGARIA: JEWISH COMMUNITY PONDERES OPTIONS FOR
RESTITUTION

REF: SOFIA 444

¶1. (SBU) SUMMARY: Following the recent court decision rejecting the Bulgarian Jewish community's claim to the Rila Hotel (reftel), the community and the government have initiated talks toward a political settlement to outstanding property claims. The creation of a commission to consider restitution is a necessary step toward resolving these claims, but real progress will likely depend on continued engagement by political leaders. END SUMMARY.

¶2. (U) In a meeting on April 11, Emil Kalo, President of the Jewish organization "Shalom," confirmed recent press reports that the government had created an interagency committee to study restitution options. Kalo said the commission was to be headed by Deputy Minister of Regional Development Kalin Rogachev, but said he had received few other details. Shalom has not been informed how many members the commission has or who they are. During an April 10 courtesy call on the Prime Minister for the Passover holiday, Kalo discussed the commission directly with PM Stanishev but as yet has "seen nothing on paper."

¶3. (U) Kalo said that Shalom planned to take advantage of meetings with political leaders during the Jewish high holy days to push for a resolution to the properties issue - including in his April 13 Passover meeting with President Purvanov. He was not sure if the proposed commission was intended to work on all outstanding religious property disputes, or only those affecting the Jewish community.

¶4. (SBU) According to Kalo, his "conditions" for participating in a political settlement were the following:

- Shalom would not ask for money from the state, but would request in-kind compensation (buildings or land). In his opinion, asking for monetary compensation would add to the difficulty of reaching an agreement.
- Compensation need not be in the form of a single property, and it need not be located in Sofia.
- Any proposed compensation property would be independently appraised prior to settlement.
- The outstanding case of Sofia's Jewish Hospital (see background below) should be settled prior to the initiation of negotiations.

The properties for which Shalom has requested restitution include the site of Sofia's Rila Hotel (reftel) as well as six other properties in Varna, Yambol, Sliven, and Haskovo.

¶5. (SBU) The Jewish Hospital case is different from other restitution cases in that the courts have repeatedly confirmed Shalom's title to the property and ordered the government to pay rent, which in recent years, has not been forthcoming. Kalo said that Interior Minister Petkov had recently organized a meeting between himself, Kalo, Minister

of Health Gaidarski, and Vaido Danailov from the PM's staff to attempt to find common ground on the issue. According to Kalo, Minister Gaidarski agreed in principle to vacate the hospital, but would not commit to a written timetable or to paying back rent. Based on his experience in the meeting, Kalo thought that personal intervention by the Prime Minister might be necessary to enforce the court order and open the way to further negotiations.

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